



## The Ending Debt Collection Harassment Act

### **Debt Collection Harassment**

The frequency with which consumers are harassed by abusive debt collectors has reached new heights. In 2018, the Consumer Financial Protection Bureau (CFPB or the Bureau) received 81,500 complaints about debt collection – making it one of the leading sources of consumer complaints. This past spring, the CFPB issued a [proposed debt collection rule](#) that goes against the Bureau’s mandate to protect consumers, investors and the economy.

Under the Trump Administration, the CFPB has weakened its consumer protection rules, leaving consumers vulnerable to the same predatory practices that led to the 2008 crisis. The proposed rule leaves room for significant harassment of consumers and could contribute to debt despair – a growing cause of depression and suicide amongst hardworking people.

### **Debt Collection by the Numbers**

- Debt collectors estimate they contact consumers more than a billion times a year.
- Nearly one in three Americans say they were contacted by at least one creditor or debt collector during the last year.<sup>1</sup>
- A 2017 survey of debt collection organizations found that one in four frontline staff reported having spoken to at least one customer in the past year who seemed serious about committing suicide<sup>2</sup>
- In Massachusetts, 18% of residents living in predominantly white areas have debt in collections versus 46% of those living in predominantly nonwhite areas.<sup>3</sup>
- In 2018, the CFPB received 81,500 complaints about debt collection while the Federal Trade Commission (FTC) received 483,105 complaints.<sup>4</sup>

### **The Ending Debt Collection Harassment Act:**

Congresswoman Pressley’s [Ending Debt Collection Harassment Act](#) protects consumers from unfair, deceptive or abusive acts by debt collectors. Specifically, the legislation:

1. Prevents debt collectors from harassing consumers with unlimited electronic communication, including texts and emails.
2. Requires collectors provide consumers with clear disclosures of their rights and a simple way of opting out of communication.
3. Improves reporting around debt collection consumer complaints including a breakdown of complaints by states and specific reporting on the use of electronic communication.

*Supported by: The National Consumer Law Center (on behalf of its low income clients), Americans for Financial Reform, National Association of Consumer Advocates, the Center for Responsible Lending*

<sup>1</sup> Consumer Financial Protection Bureau, “Consumer Experiences with Debt Collection,” (2017)

<sup>2</sup> Chris Fitch et al., Vulnerability: A Guide for Debt Collection 54 (Pers. Fin. Res. Ctr. 2017).

<sup>3</sup> Massachusetts Debt Collection Fact Sheet, *National Consumer Law Center* at: [https://www.nclc.org/images/pdf/debt\\_collection/fact-sheets/Massachusetts.pdf](https://www.nclc.org/images/pdf/debt_collection/fact-sheets/Massachusetts.pdf)

<sup>4</sup> FTC Consumer Sentinel Network, <https://public.tableau.com/profile/federal.trade.commission#!/vizhome/TheBigViewAllSentinelReports/StatebyState>